

Who can use the SHOP Marketplace

To participate in the Small Business Health Options Program(SHOP) Marketplace, you must:

- Have a principal business address within the state where you're buying coverage, or have an eligible employee with a primary worksite within the state where you're buying coverage. Find out [who to contact](#) if you have questions or need help.
- Have at least one common-law employee on payroll (not including a business owner or sole proprietor or their spouses on the payroll). For the definition of a common-law employee, visit the IRS website at irs.gov/Businesses/Small-Businesses-&Self-Employed/Employee-Common-Law-Employee.
- Employ 50 or fewer full-time equivalent employees (FTEs), including part-time employees. For example, 2 half-time employees generally equal 1 full-time equivalent employee. Beginning no later than January 1, 2016, SHOP will be available for employers with 100 or fewer FTEs.

To calculate full-time equivalent employees when you apply for SHOP:

- o Use the most recent year.
- o Exclude seasonal employees (those working fewer than 120 days a year) from all calculations.
- o Count the number of people who worked an average of 30 or more hours a week.
- o Add to this amount the number of hours worked per week by non-full time employees divided by 30.

Example: Mike owns a business with 20 employees. He has

- 15 employees working an average of 40 hours per week
- 2 employees working an average of 15 hours per week
- 1 employee working an average of 25 hours per week
- 2 employees working an average of 27 hours per week

Here's how Mike calculates his FTEs:

- Number of full-time employees = **15**
 - Non full-time employee hours $(15+15+25+27+27) \div 30 = 3.6$ or **3** FTEs
(always round down when calculating FTEs)
 - Mike has **18** FTEs
- Offer coverage to **all your full-time employees** — those working an average of 30 or more hours per week.

Once your business is determined to be eligible for coverage in the SHOP Marketplace, business owners and their respective spouses may sign up for SHOP coverage.

